

**SPORTS COUNCIL FOR WALES - LOTTERY DISTRIBUTION ACCOUNT
(SPORTLOT)**

SUMMARY FINANCIAL STATEMENT

This Financial Statement provides a summary of the accounts prepared for the financial year ending 31 March 2005 in accordance with s35(5) of the National Lottery etc Act 1993 (as amended). The Act nominated the Sports Council for Wales as the body responsible for distributing funds generated by the Lottery to sport in Wales. The duties of SPORTLOT are carried out pursuant to the accounts direction issued by the Secretary of State for Wales, in accordance with Section 26(1) of the 1993 Act.

This summary financial statement does not contain sufficient information to allow for a full understanding of the results and state of affairs of SPORTLOT. For further information the full annual accounts and the auditor's report on those accounts should be consulted. A copy of the audited accounts, which have been laid before Parliament and which contain the detailed information required by law and under best practice guidelines, can be obtained, free of charge, from the Director of Finance, Sophia Gardens, Cardiff, CF11 9SW.

REVIEW OF THE YEAR AND FUTURE DEVELOPMENTS

Financial Results

The decrease in funds, after taking account of costs incurred, amounted to £5,649,000 (2003/2004 decrease £15,667,000). This amount was transferred to reserves.

Capital Grants

The fund's principal activities are aimed at increasing participation and improving performance in sport and physical recreation. The Sports Council for Wales introduced its plans for the distribution of lottery funds to capital projects in September 1994. A two stage process is used for all capital applications. The first stage of the application enables the initial focus to be more on the added benefits to sport and the aims, objectives and proposed management of the project. Applicants seek provisional approval of a scheme prior to undertaking the investment necessary to present the full application.

Capital grant payments totalling £11,714,000 (2003/2004 £16,591,000) were made during the year. The amount provided in the accounts for hard commitments (signed contracts) relating to capital grants fell by £1.4 million in 2004/2005 compared to a rise in 2003/2004 of £2.3 million.

Revenue Grants

In April 1996 the National Lottery directions were amended to allow revenue funding. The revised directions specifically required the Sports Council for Wales to take account of:

- 1) the desirability of developing talents and skills, particularly of young people
- 2) funding major international sporting events.

Revenue grants payments during the financial year totalled £4,935,000 (2003/2004 £4,262,000). This amount comprised expenditure on the following schemes:

Programme	2004/05	2003/04
	£000	£000
Elite Cymru	865	954
Coach Cymru	1,140	805
Dragon Sport	1,049	949
Disability Sport	304	360
Community Chest	909	1,067
Women and Girls	225	127
Contributions to UK Sport	443	-
	<u>4,935</u>	<u>4,262</u>

Community Chest includes an amount of £47,000 (2003/2004 £69,000) paid in respect of administration costs of local authorities who administer the grant scheme at local level.

MEMBERS OF THE SPORTLOT PANELS

The Council's Royal Charter allows it to appoint committees or panels to exercise any of its functions. For the purposes of SPORTLOT, the Sports Council for Wales has appointed five panels, which are each chaired by members of the Council.

The National Panel considers all applications for capital projects costing above £250,000 as well as projects of national significance. The regional panels consider applications for all other capital projects. The National Excellence Panel considers applications from individuals and governing bodies of sport for revenue funding.

The panel members are listed below:

National

* Miss Anne Ellis MBE
Ms Helen Croft
*Cllr Keith Evans
Mr Paul Griffiths
*Mr Ieuan Lewis (**resigned 31 March 2005**)
*Mr Philip Lloyd Jones (**resigned 31 March 2005**)
*Mr Bob Lowe
Mr Berwyn Price
Mr Aled Roberts
* Mr Clive Thomas
Miss Helen Phillips
Mr Haydn Ames
*Dr Nicky Bolton
Mr Russell Ward

South West

*Mr David Davis
Mr Alun Wyn Bevan (**resigned 31 March 2005**)
Mr John Deason
Mr David Evans
Ms Sandra Hayes (**resigned 31 March 2005**)
Mr Paul Hindler
Ms Gillian Hopley
Ms Deborah John
Mr Andi Morgan
*Mr P Huw Thomas
Mr Roy Bergiers

National Excellence

*Miss Anne Ellis MBE
Mr Rhodri Davies
Ms Tanni Grey-Thompson MBE
Mr John Hinchliffe
Mr Berwyn Price
Mr Mark Tattersall
*Mr Robert Turner
Mr Nigel Walker
Mr Adrian Davies
*Mr Lynne Davies MBE
Miss Lynette Harries

*Member of the Sports Council for Wales

South East

*Mr Clive Thomas
Mr Graham Down
Mrs Wendy Groves
Mrs Sarah Powell
Miss Sally Church
Mr Raymond Davies
Mr Michael Harvey
Mrs Barbara Beedham
Mr Frank Rees (**resigned 31 March 2005**)
*Mrs Christing Gittoes

North

*Mr Philip Lloyd Jones (**resigned 31 March 2005**)
Cllr R Mark Davies
Mrs Sally R Lloyd Davies
Dr Ann Gosse
Mr Mike Hornby
Mr Gareth Hughes
Mr David James
*Mr Ieuan Lewis (**resigned 31 March 2005**)
Miss Sian Mai Jones
Mr Alan Watkin
*Mr Bob Lowe

AUDITORS

The report by the Comptroller and Auditor General on the annual financial statements for the year ended 31 March 2005 was unqualified.

STATEMENT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT AND THE MEMBERS OF THE NATIONAL ASSEMBLY FOR WALES

I have examined the summary financial statement on pages 4 to 5 which has been prepared in the form and on the basis set out in note 1 on page 5.

Respective responsibilities of the Council, the Chief Executive, and Auditor

The summary financial statement is the responsibility of the Council and the Chief Executive. My responsibility is to report to you my opinion on its preparation and consistency with the full financial statements and foreword. I also read the other information in the Annual Report and consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the summary financial statements.

Basis of Opinion

I have conducted my work in accordance with Bulletin 1999/6 - 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In my opinion, the summary financial statement is consistent with the full financial statements and foreword of SPORTLOT for the year ended 31 March 2005 and has been properly prepared on the basis set out in note 1 to the summary financial statement.

John Bourn
Comptroller and Auditor General
15 July 2005

National Audit Office
153-197 Buckingham Palace Road
London SW1W 9SP

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED
31 MARCH 2005

	2004/2005	2003/2004
	£000	£000
INCOME		
Proceeds from Lottery	10,932	10,556
Interest Receivable	34	37
Other Income	139	25
	<hr/>	<hr/>
	11,105	10,618
EXPENDITURE		
Capital grants paid in the year	11,714	16,591
Revenue grants paid in the year	4,935	4,262
Change in provision for Hard Grant Commitments	(1,648)	3,889
Staff Costs	1,314	984
Other Operating Costs	432	562
	<hr/>	<hr/>
	16,747	26,288
 (Decrease) in funds before taxation	 (5,642)	 (15,670)
Taxation Payable	(7)	(7)
	<hr/>	<hr/>
(Decrease) in funds after taxation	(5,649)	(15,677)
 (Decrease) in funds for the year	 (5,649)	 (15,677)
Balance at 1 April	<hr/> 2,734	<hr/> 18,411
Balance at 31 March	<hr/> (2,915)	<hr/> 2,734
 Chairman's remuneration:		
Mr Gareth Davies to 30 September 2003	-	17
Mr Phil Carling 1 February to 31 March 2005	38	6
	<hr/>	<hr/>
Chief Executive's remuneration:		
Dr Huw Jones	67	70
	<hr/>	<hr/>
Remuneration of other senior staff	<hr/> 165	<hr/> 165

The salary of the Chairman comprised of a gross salary of £38,436 (2003/2004 £5,710), with no taxable benefits paid in the year. The salary earnings of the Chief Executive comprised a gross salary of £62,688 (2003/2004 £61,464) and a non-consolidated bonus for the year of £4,580 (2003/2004 £4,335), with no taxable benefits accruing in this financial year. He has Accounting Officer responsibility for lottery matters and 23% (2003/2004 28%) of his remuneration was recharged to the lottery distribution account. Other senior staff receive a gross salary only.

Members of SPORTLOT panels receive no remuneration for their work. Council members receive a flat fee of £250 per month.

SUMMARY BALANCE SHEET AS AT 31 MARCH 2005

	2004/2005	2003/2004
	£000	£000
Current Assets		
Debtors	134	8
Investments – balance held in National Lottery Distribution Fund	13,478	21,471
Cash at bank and in hand	356	-
	<hr/>	<hr/>
	13,968	21,479
Creditors: amounts falling due within one year		
Provision for Hard Grant Commitments	(13,527)	(13,761)
Other Creditors	(78)	(292)
	<hr/>	<hr/>
Net Current Assets	(13,605)	(14,053)
Creditors: amounts falling due after more than one year		
Provision for Hard Grant Commitments	(3,278)	(4,692)
	<hr/>	<hr/>
Total Assets Less Liabilities	(2,915)	2,734
	<hr/>	<hr/>
FINANCED BY:		
Income and Expenditure account	(2,915)	2,734
	<hr/>	<hr/>

SUMMARY CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

	2004/2005	2003/2004
	£000	£000
Net cash inflow for the year	356	(1,492)
increase in cash	356	(1,492)
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	356	(1,492)
	<hr/>	<hr/>

Accounting Officer: Dr H.G. Jones
12 July 2005

Notes

1. This summary financial statement has been prepared in accordance with the Companies Act 1985, having regard to the Companies (Summary Financial Statement) Regulations 1995 (SI 1995 / 2092) as far as is relevant.
2. Panel members and staff are required to declare all potential conflicts of interest. Details of all related party transactions considered material are contained in the full annual accounts, copies of which are available on request.
3. The balance held at 31 March 2005 at the National Lottery Distribution Fund is unaudited, as the audit of the Fund is incomplete. Any adjustment arising from that audit will be reflected in the 2004/2005 accounts and is not expected to be material. The balance is based on the distribution of National Lottery funds set out in the National Lottery etc Act 1993 (as amended).